App F IX 4

Previous References

194/ ML

File No 112-41

Serial Nos. 60, 72

Later References

GENERAL AND REVENUE SECRETARIAT

Serial Nos

Part B for July 42

SUBJECT

Levy of penal interest on arrears of ML taxes in Hassan

To,

The D C Hassan

2 1004/2447 42

Issues certain instructions in the matter

The Desp to other Districts

2 1005-12/2447 42

for his info

Nov 29 7 42

S-156 Levy of interest on arrears of Municipal taxes (1)

General and Revenue Secretariat | File No 112 of 1941 | [App I III-2

Serial No

Letter no M O C 529/40-41 d 2344 from the Deputy Commissioner, Hassan Dist, recommending that interest on arrears of Municipal taxes may be levied in the minor municipalities, as in the case of land revenue

1) Interest is being levied at present on all kinds of revenue i e items like land revenue, forest revenue etc The present proposal is to levy interest on Municipal taxes which are different from revenues As the proposal involves a new principle the views of the Govt may perhaps be obtained in the first instance

Govt 21/5/41 2) This is a novel proposal No other Deputy Comr has made a recommendation of this kind Further, the proposal is to levy interest in the case of arrears of only the minor Mncs why it is not proposed for the Town Mncs is difficult to understand. Such a levy is not in force anywhere in British India also

first orders from 3) The proposal involves 2/5/41 an amendment of the Act as no provision exists to charge interest on arrears of taxes

NOTE—Contn Sheet

2) Proposal to levy interest on arrears of Municipal Taxes

File No 1 of 1941 | General and Revenue Secretariat

Serial No

The Law Secy will may be consulted as to the legality of charging interest on arrears of Municipal taxes

Law Secy) 24/5/41

8274
22 5 41

Hm
2
23/5/41

Asstt Secy
Law (Secy) 23-5

6715 p 40

3
23/5/41

Law 183 of 40
23rd May 1941

4 There is a provision in the Law Revenue Rules, to levy interest on Revenue arears No doubt, a defaulter must be penalised, but there must be some provision either in the Act or in the Rules, to authorize the levy of interest on arrears of Taxes, where there is no such provision interest cannot be levied

I think we feel that the proposal of the Corporation cannot be accepted in as much as the Municipal Law does not permit the authorities to levy interest on arrears of Municipal Taxes

Law Secretary) 3
25/6/41

A

8954
25/6

Hm
2
25/6/41

Asstt Secy
Legl
Sec

5. In order - with [illegible]

26/6/41

Proposal to levy penal interest on arrears of taxes 5781

Serial No

1b) The DC will be informed as at A in para 5 of the note Law Secy) HH 26-6

9103/27/6

7) It may not be necessary to charge interest on arrears of taxes. The proposal may be vetoed

Minister L S G) Hm 2 28/6/41

OFFICE OF THE MINISTER FOR L S G & P H
Date 28/6
No 429

8 This is a question which a commission of enquiry can and if necessary may be constituted and empowered to enquire into HH Hm 2 28 6 41

Hm 2 30/6/41

9 As this involves a principle, I suggest in the first instance it may perhaps be brought up before the Standing Committee for Local Self Govt to ascertain their views and suggestions Submitted for orders Thus will be done if approved Law Secy) HH 4-7 4/7/41

10 May be brought up before the Standing Committee for L S G

Minister L S G) Hm 2 5/7/41

OFFICE OF THE MINISTER FOR L S G & P H
Date 5/7
No 144

11 Please bring up HH

NOTE—Contn Sheet

File No 3710/L 5156 of 194 | General and Revenue Secretariat

Serial No

12 A note may be put up with reference to the practice in the neighbouring Provinces etc

Hm 2 8/7/41

Spoke to the Munit Hm 2 8/7/41

Subsidiary

13 In the law in force in the C of H Station and in the presidencies of Madras and Bombay, there is no provision for the levy of interest on arrears of municipal tax

Kmm 16/5/41.

14 Please examine the ML law in force in the Bengal Presidency & the Central Provinces

13/8/41

To

The Deputy Comer, Hassan Dist

Issued No L 55-92 d 3-1-42

Library for kindly putting up copies of Municipal Laws in the Presidencies of Bengal and Central provinces for reference

Kmm 18/7/42

Library

Sub

the codes of the P & T Rs and provisions are herewith put up

Levy of interest on arrears of municipal taxes. (5

General and Revenue Secretariat | ML File No | of 1917 | [App F III—2

Serial No

15 The ~~Bo~~ Municipal Law that is in force in the several British Indian provinces has been worked into and there is no provision in the municipalities Acts of the British Indian ~~provinces~~ except in that of Central provinces for the levy of interest on arrears of municipal taxes

16 In Section 77(1) of the C P Municipalities Act provision is made as follows for the levy of interest -

Section 77(1) - Any arrear of any tax or any other money claimable by the committee under this Act together with any sum on account of court fees which may be fixed by rules made under this Act with interest at the rate of twelve and a half per centum per annum may be recovered on application of the committee to a magistrate having jurisdiction within the limits of the municipality and such magistrate may order recovery by distress and sale of any movable property belonging to such person within the limits of his jurisdiction

17 Provided that no interest shall be ~~recorded~~ recovered in any case in which the magistrate for reasons to be recorded in writing considers

NOTE—Contn Sheet

WD 04155—GPB—55 000—23 10 41

6) Levy of interest on arrears of municipal taxes

ML File No | of 1941 | General and Revenue Secretariat

Serial No

it is expedient that interest should be charged.

18 It may perhaps be stated that the municipal taxes are recovered for the services rendered by the Municipalities and they are recovered in advance thus they differ from revenue Js taxes are recovered in advance it is perhaps not equitable to levy interest on their arrears The introduction of this measure during these days of economic difficulties may generate public opposition and adverse feelings and therefore the proposal of the D C Hassan to levy interest on municipal taxes may perhaps be dropped for the present.

19 The Financial Secretary may be requested kindly to furnish his opinion on the proposal

Kms 3442 The question of Collection of interest on arrears of Municipal Taxes has to be Considered in its general aspect along with the possibilities of application to all the three types of Municipalities, City, Town & Small (Minor), as noted at para 2 above

1 It bears examination from two methods

Serial No

of approach viz - Equity of the levy on general merits & existing provisions of law on the behalf

Equity The levy of interest is urged mostly on the analogy of land revenue Tax and Revenue are fundamentally different from each other While 'tax' is a quid pro quo for certain services rendered by the Govt of a Country or a Municipal Council, 'revenue' is a levy on the yield The land Revenue also collected in 4 instalments for this reason the analogy may not constitute all the reasoning in favour of Charging interest on Land Revenue arrears But it is a Taxation Revenue

Equity Law The relevant Sections of the 3 Acts in regard to the recovery of arrears are 96 (1) (b) in the Cities, 91 (1) (b) in the Towns & 70 (1) in the Minor Notices The last mentioned Section has a Clause 'as may be prescribed' in the recovery of dues It might be possible to bring the question of interest under this Section But in the other two Sections of the other two Acts, there

NOTE—Contn Sheet

WD 04155—GPB—55 000— 3 10 41

x) Levy of interest on arrears of Mk taxes

File No 3714/1/52 of 194	General and Revenue Secretariat

Serial No

is no escape at all. On the other hand, the enormous powers of coercion & distraint etc are reserved under the Mk Ch. The intention of the Legislature appears to be that there would be no escape at all for the Mk taxes falling into arrears. For the C P Act also above, such powers are vested in the Magistracy & not in the Mk Chs. There is a significant difference. If there are arrears, the conclusion under the existing provisions of law is that the Mk-Chs are not properly using these powers in this regard.

Possibly, the back powers referred to may have to be revised in case it is decided to levy interest.

Above all it may be necessary to consult all the Mk Chs and Honorables ~~Ganesh Bough~~ Gopalaswamy before legislation could be undertaken. It may perhaps, the question may be taken up after the present international situation resolves itself.

8/4 4 Reference Paras 8 & 12 of Note
9/4/42 The opinion of the Financial Secy may perhaps be obtained on this proposal

Law Secy) 10/4/42
Hon 25)
Fin Secy) 11/4/42
MC

SECY LAW DEPT 3137 11 APR 42 GOVT OF MYSORE

Serial No

26) To Comptroller, with compliments, for favour of remarks

No 664/spl dated 27-5-42

U O No 554/C LAD dated 27th May 1942

27) Returned with compliments

2 As has been stated, the present Municipal Law will have to undergo changes before the proposal can be given effect to Like other impositions, this imposition also may evoke opposition.

3 Even if the possible opposition is overcome and the levy is sanctioned by law, it is doubtful, whether this addition to the powers which the Municipal Councils already posses, will help them to reduce their arrears and improve their financial condition For, the arrears that are found in a Municipality are due, not to the absence of helpful or drastic provisions in the Municipal Law as it stands, but mostly to other causes These are the inexperience and inefficiency of Bill Collectors, the dilatory manner in which steps for recovery of taxes are generally taken, the absence of adequate vigour and system, in the manner in which notices are issued and served and distraints are executed by the subordinate executive Staff, and the generally inadequate supervision and help that collectio work receives from the Municipal Superior Executive

If

NOTE—Cont Sheet

10) Levy of interest on arrears of municipal taxes

File No 112 5710/L of 194 | General and Revenue Secretariat

Serial No 6111

If steps are taken early and systematically, there cannot be much reason for almost the whole demand not being collected as these are sums that can be collected by the employment of summary processes, and from, not only the Khatedars but even from tenants This is the impression that the experience of local audit has left on this office The existing provisions if promptly and systematically applied, seem to be quite enough for the recovery of all Municipal taxes That the proposed levy of interest will have positive Financial advantages is not beyond doubt

Dycomptroller

By Fro Comptroller absent from HQ Qrs

YR/25

28) I have no remarks to offer

3/6

29) Submd for orders

4 6 42

30) The Comptroller's remarks above are for perusal. A reply will be sent on the above lines to the D.C Hassan with a copy thereof sent to the other D.C's for information as the present move of the Govt, such measures are not likely to meet with any support

Law Secy 19/6

GEOY LAW DEPT 545 22 JUN 1942 GOVT OF MYSORE

Levy of interest on arrears of Municipal 3710/2 rates (11)

General and Revenue Secretariat — File No 112 of 1941-42 — [App F III-2

Serial No

31) I agree that the time is not opportune to amend the existing Acts for empowering levy of interest I do not think that Collections can be speeded up by the introduction of such provision the reasons for the slackness in collections have to be examined before any such step is taken We may invite opinions of Municipalities and Municipal Councils on the proposal to levy interest on arrears in Municipalities. The Executive does not put the law into coercive processes in time and they in turn do not go to Civil Courts in time to recover the arrears. In many cases the persons responsible for payment of the tax are not ascertained and many persons are asked to pay at one go. The Executive should take more interest and zeal in this work

Minister L.S.G.)

OFFICE OF THE MINISTER FOR L S G & P H
Date 3-7-1942
No 1145

log
3742
from
Sec
11742
Cir 7
134

Submitted with a draft letter to the D C Hassan Dist—

It is for orders of the Govt referred to at A in para 31 supra has to be

NOTE—Cont Sheet

WD C41 5—GPB— 5 000— 3 10-41

12) Levy of interest on arrears of municipal taxes

11 File No	112	3710/1	of 1941	General and Revenue Secretariat

Serial No

pursued
Km
19/7/42

may be approved
Lewis 21/7/42

SECY LAW DEPT 767 1942 GOVT OF MYSORE

Cy
22-7-42

Done
L 23/7/42

To

The D C Hassan Dis:-

No L/1006 d 24/7/42
Issues certain instructions

B

5151

Office of the Deputy Commissioner,
Hassan District,
No: [illegible] Dated Hassan, the 23rd April 1941.

Mc 112-41-60

To

M. Ramaiya, Esq , B A , (Hons)
Deputy Commissioner, Hassan District.

To

K V Narayana Rao, Esq., B.A , LL B.,
Secretary to Government, Law Department,
B a n g a l o r e.

Sir,

Subject - Levy of interest on arrears of Municipal taxes as in the case of Land Revenue arrears in Minor Municipalities

I have the honor to state that the question of levying interest on arrears of Municipal Taxes in Minor Municipalities as in the case o arrears of Land Revenue was brought up before the Arkalgud Taluk Conference held on 8th December 1939, Proposals having been called for in the matter, the Municipal Councils of Cheraravanatna, Banavar and Sraverabel gola were not in favour of the proposal while those of Belur, Alur, Arkalgud and Konarur were in favour of it The Sub Division Officer, Hassan is of opinion that where there is default in payment, the taxpayer should be peralised

I am in agreement with the views of the Sub Division Officer and I recommend that orders of Government may kindly be obtained, as the levy of interest is not contemplated in the Rules now in force The extracts of the resolutions of the Municipal Council are herein enclosed for kind perusal

I have the honor to be,
Sir,
Your most obedient ser art,

Deput, Commissioner,
Hassan District

Ordinary meeting No: 2 dated 21/8/40

4.

x x x x x x

Pronounced by me
Sd/- K K Appaiah
President
26/3/91

Copy -
K K Appaiah
President

M Puttarya Esqr BA LB
President

ಹೊಸ ಠರಾವು ನಂಬರು	ಹಳೆ ಠರಾವು ನಂಬರು
7	8
x x x	x x x
(8) ಮೈಸೂರು ತಾಲ್ಲೂಕು ಬೋರ್ಡಿನ ಕಂದಾಯದ ಜಮೀನಿನ ಮೇಲೆ ಕಂದಾಯದ ಮೇಲೆ ಬರಿಂಡೇ ಮಲ್ಲಪ್ಪನವರು ಮಾಡಿಕೊಳ್ಳಲು ಬಯಸಿದ ಅರ್ಜಿಯನ್ನು ಅರ್ಜಿದಾರರ 3-3 40 ರವರಿಗೆ ೮ ೧ 39 ನೇ ನಂಬರಿನಲ್ಲಿ ಕೊಡಲು ನಿರ್ಧಾರ	ಈ ವಿಷಯವು ಇಲ್ಲಿಯವರೆಗೂ ಮುಂದಿನ ಠರಾವುಗಳ ಕಂದಾಯದ ಮೇಲೆ ಬರಿಂಡೇ ಮಲ್ಲಪ್ಪನವರು ಮಾಡಿಕೊಳ್ಳಲು ಬಯಸಿದ ಅರ್ಜಿಯನ್ನು ಅರ್ಜಿದಾರರಿಗೆ ಮಂಜೂರು ಮಾಡಲಾಗಿದೆ
x x x x	x x x x

Extract
Sd Kuluttya
1/8
President
Arkalgud Municipality

Sd M Puttarya
8/27 3 40 President

Subject discussed at the Municipal meeting held on 8-3-1941 6

4) మ్యునిసిపాలిటీ బాకీ కట్టని వారి మీద తీసుకోవలసిన చర్యలు గురించి

ఈ విషయం చర్చించబడింది. ప్రస్తుతం బాకీ కట్టని వారి మీద తీసుకోవలసిన చర్యలు గురించి ఈ విషయమై ఆలోచించి తగిన నిర్ణయం తీసుకోవడానికి వాయిదా వేయడమైనది.

Extract

K. Brahmaiah
President,
Municipal Council
Belum

Cgc 312/ Genl-

Cgc 1085/60 Genl

Hansard District Deputy Commissioners
Memo No MLC 529/40 41 dt 1.8.60

Ref - re levy of interest on municipal arrears as in the case of Revenue arrears

Memo

Submitted to the Deputy Commissioner Hansard District A reference was made to the presidents of all the minor municipalities of this Subdivision but no reports are received from the municipalities of Sravanabelgola and Hansalli They are reminded to-day once again As per resolutions enclosed two municipalities are for and two are against the question.

The A/S is of opinion that when there is a default by any tax payer it is but right, that he Should be penalised The levy of interest on the Same as in land revenue arrears may be enforced. memos

10367

for Deputy Commissioner
Hansard
22/4

ಕಾ 28 ಈ 1940 ನೇ ಶುಕ್ರವಾರ ಬೆಳಿಗ್ಗೆ 8 ಘಂಟೆ ಮೇಲಾಂಗಾಂಬು ಹೊಗಮಂಡ
ಮುನಿಸಿಪಲ್ ಆಫೀಸಿನಲ್ಲಿ ನಿಷ್ಪಕ್ಷಪಾತವಾಗಿ ಮುನಿಸಿಪಲ್ ಪ್ರಾಪ್ತಿಸಿಕ್ಷಿನ
ಜನರಲ್ ಎಲೆಕ್ಷನ್ ಪ್ರೊಸೀಡಿಂಗ್ಸ್

7

H Pattanaya Esqr BA, PL,
Presidential -

	ಹಾಜರಿದ್ದ ಮೆಂಬರುಗಳು	ಗೈರಾಹಾಜರಿದ್ದ ಮೆಂಬರುಗಳು
	10	5
	x x x x	x x x x x
12	ಪ್ರೊವಿಶನಲ್ ಮುನಿಸಿಪಾಲಿಟಿಗಳ ಫೈನಾನ್ಸ್ ಕಮಿಷನರ್ ಹಾಗೂ ನಿಲ್ಲು ವ ಮೂಲಲಗಿನಮೇಲೆ ಕಿವಿನ್ಸ್ರು ರ್ಂದಾಯದ ಮೇಲೆ ವಸೂಲುಮಾಡಿ ವಂಕೆಂಪೇಬಡ್ಡಿ ಮತ್ತು ಅಲಗಸ್ಸು ವಸೂಲುಮಾಡ ಬೇಕೆಂದ ಬಂದಿರಾ ವ ಕಾಲ್ಪೂರ್ಕವಿರ್ಗಸ್ಸ್ಪಿಲ್ಲ	ಠಂದಾಯದ ಭಾಂಡಿಮೇಲೆ ಕುಟಾಯಿಸಿ ಬಂದಾಯಿಸು ಮೇಲೆಸಿ ಲಾಯಿಸಿ ಸರಿಸಿರ ಕಾರ್ಯವಿನಂದಬಡ್ಡಿ ವಸೂ ಲಿ ಮಾಡ ಬಹುದೆಂದ

విచారణ దళ్ళ అభిప్రాయాలు కోరి బండిరువ ప్రకటనలను వాళ్ళు అమల్దారవర 3 3 1940 రవుండ్ళం ఇ 9/39 రవుండ్ళం పిస్టోలిగినే విచారణ

+ + + + + + + +

చట్టి తెలుంగనిన లాంఛను

(Sd) M Puttaiya

Enclosed-

26-4-40 President-

Whitehead
President- 7/5/40

Mr Connell
Known-

3710/L

No Ml.C 529/40
Enc

OFFICE OF THE DEPUTY COMMISSIONER
HASSAN DISTRICT

Dated Hassan the 22nd December *1941*

FROM

RAMAIYA Esq BA (Hons)
Deputy Commissioner
Hassan District

SECY LAW DEPT 23 DEC 1941 GOVT OF MYSORE

23 DEC 1941

To

H V Narayana Rao, Esq , B A , LL B ,
Law Secretary to Government,
B a n g a l o r e

SIR

In inviting kind reference to this Office No C 529/40 dated 23-4-41 regarding the subject noted below, I have the honor to request the favour of an early reply thereto

Re levy of interest on arrears of Municipal taxes as in the case of Land Revenue arrears, in Minor Municipalities

I have the honor to be,
Sir,
Your most obedient servant,

Deputy Commissioner,
Hassan District

as

23 DEC 1941

N B —Should routine notes be written on small slips the notes must be copied or slips pasted on this form

WD 05639—36 000—GPS—26 3 40

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No L5592

Bangalore dated 3rd January / December 1942

FROM

The Secretary to the Government of His Highness
the Maharaja of Mysore

Law Department

To

The Deputy Commissioner,
Hassan District

SUBJECT Levy of interest on arrears of Municipal Taxes in Minor Municipalities

Sir,

With reference to your letter No M6 C 529/40 dated 22nd December 1941 asking for the disposal of the subject, I am directed to state that the question being an important one, is under consideration and it might take some time for it to reach disposal

I have the honor to be,
Sir,
Your most obedient servant,

For Secretary to Government,
Law Department

SR/2

[Appendix F G—1]

SUBJECT

V

Section

File No

Serial No

Diary No of letter replied to

No L5592

To

The D C Nuwara Eliya

Sir

Levy of contribution on Arrears of Municipal taxes in Nuwara Eliya

With reference to your letter No NE/C 529/40 of 22.12.41 asking for the disposal of the subject, I am directed to state that the question, being an important one, is under consideration & it might take some time for it to reach a final decision.

I have etc

J Lawrence

General and Revenue Secretariat

)

the *193*

Date of issue 3rd Jan. '42

Signed by Mr G Ramachandra Rao

List of enclosures

Copied by

Examined by

24/12

WD 0563—GPB—30 000—6 1 39

Appendix F G—1]

SUBJECT

Diary No of letter replied to

General and Revenue Secretariat

( )

the *19*

Date of issue 24/7/62

Signed by

List of enclosures

1, 0

Copied by

Examined by

Section 7G

File No 112-61

Serial No 72

No L. 1007

To

The D C Hassan Dist

Sir, with reference to your letter no H o c 5-29/60-61 d 23-4-61 recommending that interest on arrears of municipal taxes may be levied in the municipalities as in the case of land revenue, I am directed to state that the proposal involves an amendment relating to the

ment of the existing law for which purpose the time is not opportune. The proposal

also
does not ~~therefore~~ commend itself
to Govt, as it is not likely that the effective would be
speeded up by the introduction of such a measure.

I am however to observe
that the main causes for the accumulation
of rent arrears are mostly due
to (1) lack of coercive ~~process~~ steps
in time and (2) failure to launch civil suits
promptly ~~and (3) for~~ in many cases, the persons
responsible for the payment of taxes are not
even demanded for its payment ~~made~~
~~If~~ the executive officers of the municipalities
take more interest and work with zeal
in this behalf, there would be no room
for the accumulation of ~~rent~~ arrears as
at present. Suitable instructions may accordingly be issued to the
Presidents of Municipalities. I have etc
to avoid the above
difficulties & speed up the
Memo L 1005-12 for Secy to Govt
Law Dept
Copy w/c to the Secy Board of Revenue for information

Bo 22-7-42
for Secy to Govt
Law Dept